



# PERS Plan 1 Rules for State Elected Officials

## Washington State Department of Retirement Systems

The following rules apply to state elected officials who choose to be covered by PERS Plan 1 while in office. Additional rules governing all PERS Plan 1 members are summarized in the PERS Plan 1 Member Handbook.

### **You are eligible to participate in PERS Plan 1 if:**

- You were elected to statewide office (includes election to the state legislature), and you are either
- A PERS Plan 1 member when elected to office, or
- A former PERS Plan 1 member (even if you withdrew funds from your retirement account.)

If you would like to be a member while in office, you must apply to the Department of Retirement Systems, however, you are not required to be a retirement system member.

### **When can I apply for membership?**

**During your initial term:** You may apply for membership at any time during your initial term of office. If you enter membership after your initial term of office has begun, you must retroactively pay employee contributions plus interest dating back to the first day of your initial term.

**During a following term:** If you do not apply for membership during your first term in office, you may apply for membership during a following term. Membership will be granted retroactively to the first day of the term in which you apply for membership. You must retroactively pay employee contributions plus interest dating back to the first day of the term in which you apply for membership and your employer must pay employer contributions plus interest for the same period.

When you have established membership for your current term, you may have the option of purchasing credit for any previous term or terms of office during which you did not choose to apply for membership. See "Can I Receive Credit for Past Elected service?" on page 2.

If you serve an additional term of office with the same employer without a break in service, you will remain a retirement system member until you terminate employment.

**Your membership decision is final:** Once you have established retirement system membership, you must remain a member until you separate from all eligible public employment.

### **You may retire and retain your elected position if:**

- In that position, you earn less than \$15,000 adjusted annually for inflation, and
- You abandon claims for credit for future periods of elected service.

If you were a statewide elected official from 1967 through 1973, you may be entitled to retire and retain your position until your term ends.

# PERS Plan 1 Rules for State Elected Officials (continued)

## Washington State Department of Retirement Systems

### How much service credit will I earn?

The amount of service credit you accumulate helps to determine the size of your retirement benefit. As a state elected official, you will:

- Earn one month of service credit for each month during which you earn compensation pursuant to your elected position.
- Can earn no more than one service credit month in any calendar month even if you are employed with another PERS-covered employer.

Service in any state elected position is considered full-time service. For example, if you serve a full year as a legislator you will receive a full year of service credit regardless of the number of hours you worked in any month. If you resign prior to the end of your term you will earn service credit for each month in which you received compensation.

### Can I receive credit for past elected service?

After you have established membership for your current term of elected office, you are entitled to purchase service credit for any previous elected term or terms of office during which you did not choose to apply for membership. If you do not choose to become a member while holding elected office, and later become an active PERS 1 member in a non-elected position, you may then purchase credit for your elected service.

To receive service credit you must pay the required employee contributions for your previous term or terms of elected service with interest as determined by DRS. Additionally, you must pay the required employer contributions and interest unless your employer elects to pay them for you. Service must be purchased prior to retirement.

If you purchase service credit with an employer, you must purchase all consecutive service with that employer. If you served multiple terms in office with different employers, you may purchase credit for service with each employer independently.

### What will my retirement benefit be?

The portion of your benefit based on your legislative service will be calculated according to the following formula:

$$3 \text{ percent} \times \text{service credit years} \times \text{Average Final Compensation} = \text{Monthly benefit}$$

Your non-legislative service will be calculated according to the formula:

$$2 \text{ percent} \times \text{service credit years} \times \text{Average Final Compensation} = \text{Monthly benefit}$$

**Average Final Compensation** is the monthly average of your 24 consecutive highest-paid service credit months

The retirement benefits of most PERS 1 members are limited to 60 percent of AFC. However, this limit does not apply to your years of service as a state elected official.

# **PERS Plan 1 Rules for State Elected Officials (continued)**

## **Washington State Department of Retirement Systems**

**Legislators and compensation earnable:** If you are a PERS Plan 1 legislator on a leave of absence from a PERS position for the purpose of serving in the state legislature, your compensation earnable may include the salary you would have received in the position you left, if your employee and employer contributions are paid.

### **How much will I contribute to my retirement fund?**

You will contribute 7.5 percent of your "compensation earnable" each month to your retirement plan. Compensation earnable is the salary and wages you earn during a payroll period for service rendered.

### **What if I am a retired PERS Plan 1 member when elected?**

If you are a retired PERS Plan 1 member when elected to office, you can choose to either remain retired and continue receiving your retirement allowance without interruption while serving in office, or return to active member status while serving in office.

If you return to active member status, you will stop receiving a monthly retirement benefit, and you will resume making contributions to your retirement system and accumulating service credit. Any retirement benefit you receive during your current term must be repaid.

### **How do I enroll?**

To continue or reestablish PERS1 membership, contact DRS and provide the following information:

- Name
- Social Security Number
- Address and phone number
- Position title and employer
- Beginning and ending dates of all elected official service

DRS will verify your service and previous elected official terms of office, and send you an enrollment letter and application. You may also request an estimate of the cost of purchasing credit for previous service.

### **You can write DRS at:**

- Department of Retirement Systems
- PERS
- PO Box 48380
- Olympia, WA 98504-8380

DRS' **central telephone number** is toll free 1-800-547-6657 or in the Olympia area (360) 664-7000.

**Office hours** are 8 a.m. to 5 p.m., Monday through Friday, except legal holidays.

### **Questions?**

To discuss the application of these rules to your specific case, call DRS's Central Reception Desk, identify yourself as an elected official, and ask to speak to the Legal and Legislative Services Unit.

### **THIS PUBLICATION IS A SUMMARY**

This brochure does not contain a complete description of the law. If there are conflicts between the information contained in this brochure and retirement law, the applicable law will govern.